

**General Government**  
**Governor's Office for Local Development**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	13,770,400	20,590,300	20,951,300	11,973,500	12,593,400
Salary Compensation Fund	153,100				
Base Deduction	-851,200				
<b>Total General Fund</b>	13,072,300	20,590,300	20,951,300	11,973,500	12,593,400
<b>Restricted Funds</b>					
Balance Forward	1,245,800	317,800	317,800		
Current Receipts	606,400	1,561,300	1,561,300	1,561,300	1,561,300
Non-Revenue Receipts	1,724,300			224,300	224,300
Fund Transfers	-1,817,800				
<b>Total Restricted Funds</b>	1,758,700	1,879,100	1,879,100	1,785,600	1,785,600
<b>Federal Funds</b>					
Balance Forward	63,000	63,000	63,000	63,000	63,000
Current Receipts	52,430,800	55,564,200	55,564,200	55,564,200	55,564,200
<b>Total Federal Funds</b>	52,493,800	55,627,200	55,627,200	55,627,200	55,627,200
<b>TOTAL SOURCE OF FUNDS</b>	67,324,800	78,096,600	78,457,600	69,386,300	70,006,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	5,429,200	6,970,500	7,331,500	5,762,500	5,912,300
Operating Expenses	983,500	1,422,600	1,422,600	1,051,400	1,053,500
Grants, Loans or Benefits	60,849,100	66,522,700	66,522,700	62,509,400	62,509,400
Debt Service		2,800,000	2,800,000		468,000
<b>TOTAL EXPENDITURES</b>	67,261,800	77,715,800	78,076,800	69,323,300	69,943,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	13,072,300	20,590,300	20,951,300	11,973,500	12,593,400
Restricted Funds	1,758,700	1,561,300	1,561,300	1,785,600	1,785,600
Federal Funds	52,430,800	55,564,200	55,564,200	55,564,200	55,564,200
<b>TOTAL EXPENDITURES</b>	67,261,800	77,715,800	78,076,800	69,323,300	69,943,200
<b>EXPENDITURES BY UNIT</b>					
Commissioner	2,359,000	2,717,700	2,778,700	2,386,800	2,404,600
Grants	58,936,800	65,291,600	65,377,100	60,631,400	60,652,700
Financial Management & Administration	1,865,700	2,093,900	2,179,400	1,907,200	1,934,900
Field Services	1,134,800	1,448,400	1,516,900	1,176,800	1,196,400
Legal Services	177,300	288,100	299,100	187,900	190,700
Renaissance Kentucky	2,170,700	2,780,900	2,791,400	2,157,500	2,160,000
Kentucky Community Development Office	617,500	3,095,200	3,134,200	875,700	1,403,900
<b>TOTAL EXPENDITURES</b>	67,261,800	77,715,800	78,076,800	69,323,300	69,943,200

The Governor's Office for Local Government (GOLD), pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. The agency was reorganized and renamed by Executive Order 05-564. GOLD serves as the liaison between the Governor and local units of government. It coordinates and resolves local government problems. The Department administers grants-in-aid, and serves as the cognizant state agency for Kentucky's fifteen Area Development Districts. These responsibilities are carried out through the Commissioner's Office and four primary administrative units.

The Commissioner's Office formulates policy that governs programs administered by the Department. The General

Counsel for the Department is housed within this budgetary unit. The office also serves as a liaison with state and federal agencies that deal with each of the Kentucky's 120 counties, 435 cities, 1400 special districts and the 15 Area Development Districts. The Trover Grant which brings University of Louisville medical students to the Western Kentucky Coal Fields for a portion of their residency is administered by the Commissioner's Office. The Knott County Arts and Crafts and the Richmond Arts Center Grants are housed in this administrative unit.

The Division of Grants administers the Community Development Block Grant Program for small cities, Economic Growth Grant, the Land and Water Conservation Fund, the Kentucky Recreational Trails Program and State Grants appropriated by the General Assembly. Moreover, the Division develops and conducts training programs for local governments across the Commonwealth in conjunction with other governmental agencies, associations and the Area Development Districts. It maintains the Commonwealth's Clearinghouse for all federal grants and administers the Joint Funding Agreement and Appalachian Regional Commission grants.

The Flood Control Program also is administered by the Grants Division. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal Emergency Management Agency (FEMA), and Natural Resources Conservation Service (NRCS) are available for vital projects. The program provides matching dollars for federal grants for straight sewage pipe removal projects funded by the Personal Responsibility in a Desirable Environment (PRIDE) program.

The Office of Renaissance Kentucky serves as the lead state agency for the administration of the Renaissance Kentucky Cities Program. Its mission is to revitalize downtowns by renewing pride in downtown centers, attracting new businesses and jobs, promoting tourism and encouraging cultural growth. Moreover, Renaissance Kentucky encourages the development of attractive housing in downtown centers. The program brings together public and private resources, expertise and incentives to take a comprehensive approach in solving problems of transportation, housing, water and sewer systems, business development and service delivery in cities.

The Field Services Office makes state government more accessible to Kentuckians by stationing community representatives in seven regional centers across the Commonwealth. Field service representatives answer citizens' questions, resolve problems, conduct research and help develop local grant applications.

The Division of Financial Management and Administrative Services perform agency administrative functions. It has responsibility for personnel administration, payroll, purchasing, library management, accounting, and budgeting for the entire agency. The Division provides information technology support for the Department and to local government units. Its statutory duties include: the calculation of maximum compensation for elected officials; the dissemination, collection and compilation of uniform financial information from all cities, counties and special taxing districts; the establishment of the standard chart of accounts; and the collection of annual audits and financial statements from all municipalities. This Division provides technical assistance and funding to the Chase Municipal Law Center. This administrative unit also provides technical assistance on local fiscal matters.

The Kentucky Community Development Office (KCDO) promotes economic development in Kentucky's localities. KCDO is responsible for financial management, accounting, and fund allocation and reporting of both the Local Economic Development Grant Fund (LGEDF) and Local Government Economic Assistance Grant Fund programs. The agency also reviews and approves LGEDF statutory grant applications. KCDO oversees those projects, and others authorized by the General Assembly through the budget. KCDO also administers the Kentucky Community Economic Development Growth Grant Program. This grant program assists counties, cities, special districts, or local school districts fund projects that improve the economic vitality of the community.

## **Policy**

The Governor's budget recommendation provides an allocation from the General Fund in the amount of \$250,000 in each year of the biennium for the River Park Center in Owensboro.

Included in the recommended budget is an allocation from the General Fund in the amount of \$100,000 in each year of the biennium for the Richmond Arts Center.

Included in the enacted budget is an allocation from the General Fund in the amount of \$1,000,000 in each year of the biennium for the Trover Clinic Grant in Madisonville. These General Fund dollars are derived from coal severance revenues.

The Governor's recommended budget provides an allocation from the General Fund in the amount of \$95,500 in each year of the biennium for the Chase Municipal Law Center.

Included in the budget recommendation is an allocation from the General Fund in the amount of \$2 million in each year of the biennium to support Renaissance Kentucky Cities grants.

The Governor's recommended budget includes \$669,700 in fiscal year 2007 and \$728,000 in fiscal year 2008 to administer Local Government Economic Development Fund (LGEDF) single county grants. These funds are derived from the LGEDF program.

Included within the General Fund appropriation in fiscal year 2008 is \$468,000 for debt service to support Bond Funds in the amount of \$5 million for the Community Economic Development Growth program.